

RESOLUTION NO. 2012-123

A RESOLUTION OF THE LODI CITY  
COUNCIL APPROVING THE AMENDED AND  
RESTATED NORTHERN CALIFORNIA  
POWER AGENCY MARKET PURCHASE  
PROGRAM AGREEMENT

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WHEREAS, the Market Purchase Program (MPP) Agreement was made effective August 1, 2007, by and among the Northern California Power Agency (NCPA), the City of Lodi and other NCPA members, to enable NCPA, on behalf of the MPP participants, to engage in contract transactions to purchase power; and

WHEREAS, since its inception the MPP has operated successfully for Lodi by facilitating execution of these contracts for the benefit of its electric utility customers; and

WHEREAS, due to changes in the wholesale electric market, including new regulatory obligations, Lodi and the other MPP participants have requested NCPA to revise the MPP Agreement to enable NCPA to transact new products that are currently not available under the MPP Agreement; and

WHEREAS, to satisfy this request, NCPA, working in coordination with the MPP participants, has developed the Amended and Restated Market Purchase Program Agreement to provide for these new products; and

WHEREAS, the Amended MPP Agreement will enable NCPA to engage in transactions, on behalf of the Lodi and others, to purchase and sell energy, resource adequacy capacity, Renewable Energy Certificates (RECs), Green House Gas (GHG) compliance instruments and physical option products; and

WHEREAS, through these MPP contract transactions, authorized under the Amended MPP Agreement, Lodi will assure greater rate and budget stability by: (i) reducing the proportion of energy the City needs to acquire in a potentially volatile spot market; (ii) transacting in bundled and unbundled RECs to manage the Lodi's renewable energy portfolio as mandated by the State of California; (iii) satisfying applicable resource adequacy requirements per California Independent System Operator mandate in a more efficient manner; and (iv) satisfying applicable GHG emission compliance obligations per State of California mandate; and

WHEREAS, the Amended MPP Agreement specifies the terms and conditions under which NCPA will perform such services, including, but not limited to, NCPA's and the City of Lodi's obligations regarding transaction process, transaction authorization, and financial requirements; and

WHEREAS, the City of Lodi, as a signatory to the Amended MPP Agreement, will be responsible to pay to NCPA each month the sum of the following: (i) fixed MPP costs of \$900; (ii) one-twelfth of the City's allocated share of variable MPP costs calculated in accordance with the agreement; (iii) transaction specific costs for the City's contract transactions; and (iv) commodity costs for the City's contract transactions; and

WHEREAS, in addition to the aforementioned monthly payment obligations, the City of Lodi is obligated to fund: (i) the City of Lodi's share of any and all required security deposits calculated in accordance with the Amended MPP Agreement; and (ii) the City of Lodi's share of working capital requirements for the Market Purchase Program maintained at NCPA as set forth in the NCPA Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby authorize approval of the Northern California Power Agency Amended and Restated Market Purchase Program Agreement and authorizes execution by the City Manager with administration by the Electric Utility Director.

Dated: August 1, 2012

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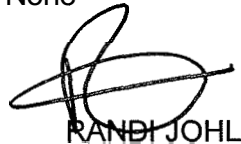
I hereby certify that Resolution No. 2012-123 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 1, 2012, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Nakanishi,  
and Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
RANDI JOHL  
City Clerk